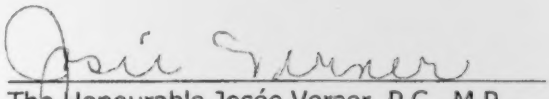
Public Service Staffing Tribunal

2006-2007

Departmental Performance Report



The Honourable Josée Verner, P.C., M.P.
Minister of Canadian Heritage, Status of Women
And Official Languages

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Section I: Overview

Chairperson's Message

The fiscal year 2006-2007 marked the first full year of operations of the Public Service Staffing Tribunal, a year that saw a significant rise in the number of complaints submitted to the Tribunal as well as continued improvement of the Tribunal's complaint process and procedures.

From the outset, the Tribunal adopted an approach that would allow parties to a complaint to resolve their differences as informally and expeditiously as possible. Our approach is in keeping with one of the main objectives of the *Public Service Modernization Act* (*PSMA*) adopted in 2003 – namely, build effective labour-management relations in the federal public service through communication and sustained dialogue.

Similarly, the *Public Service Employment Act* (*PSEA*), a key component of the *PSMA*, calls for a public service "characterized by fair, transparent employment practices, respect of employees, effective dialogue and recourse aimed at resolving appointment issues."

For this reason, the Tribunal, through its *Regulations* and *Procedural Guide*, has chosen to provide several opportunities in the complaint process for parties to come to a resolution without having to proceed to a hearing.

First, the parties are required under the *Regulations* to share all relevant information about the complaint with one another in an effort to come to a resolution through a better understanding of the process and each other's concerns.

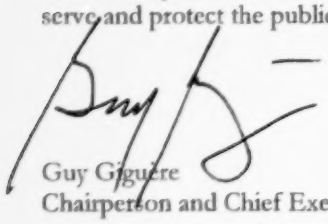
Once the exchange of information has taken place, the complaint is referred to the Tribunal's mediation services unless one of the parties declines to participate.

If the complaint is not withdrawn following mediation or the exchange-of-information stage of the process, a pre-hearing conference will be held to not only discuss the proceedings themselves but also to narrow the issues before the Tribunal or, in some cases, explore the possibility of rendering a decision based on written submissions from the parties.

The Tribunal's informal processes have been very effective. Of the 273 files that were closed during the period from April 1, 2006 to March 31, 2007, 86% were resolved without an oral hearing, either through mediation or at another step in the complaint process.

While the Tribunal recognizes that not all complaints can be settled through informal means, we also believe that the best solution to a workplace dispute or conflict is one in which the parties come to an agreement on their own, rather than one where a decision is imposed upon them by an outside third party.

In the months following the establishment of the Tribunal, we set out to develop practices that would help managers and employees resolve their differences through constructive dialogue. I am proud to report that those practices are now in place and are proving to be successful. The Tribunal is committed to fostering effective labour-management relations in the federal public service, thereby doing its part to improve the ability of the public service to serve and protect the public interest.



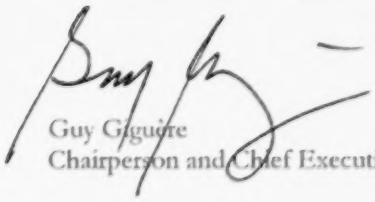
Guy Giguère
Chairperson and Chief Executive Officer

Management Representation Statement

I submit for tabling in Parliament, the 2006–2007 Departmental Performance Report for the Public Service Staffing Tribunal.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006–2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports:*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Tribunal's Strategic Outcome and Program Activity Architecture approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada.



Guy Giguère
Chairperson and Chief Executive Officer

Summary Information

Raison d'être

The Public Service Staffing Tribunal (PSST) officially commenced its operations as an independent, quasi-judicial tribunal on December 31, 2005 with the coming-into-force of the *Public Service Employment Act* (*PSEA*). The *PSEA* was enacted to modernize staffing in the public service by giving a new meaning to merit and creating new arrangements for staffing recourse.

Mandate

In accordance with subsection 88(2) of the *PSEA*, the mandate of the PSST is to consider and dispose of complaints related to internal appointments, the implementation of corrective measures ordered by the Tribunal, the revocation of an appointment and lay-offs.

In addition, the PSST may provide mediation services at any stage of its proceedings in order to resolve a complaint and may interpret and apply the *Canadian Human Rights Act* in determining whether a complaint against an internal appointment or lay-off is founded.

Mission

The mission of the PSST is to contribute to a competent, non-partisan and representative public service through the impartial and timely disposition of disputes related to internal staffing and lay-off processes in the Government of Canada.

Financial Resources ($ Thousands)

2006–2007		
Planned Spending	**Total Authorities**	**Actual Spending**
$ 5,244.0	$5,022.8	$3,215.9

Human Resources

2006–2007		
Planned	**Actual**	**Difference**
33 FTEs	22 FTEs	11 FTEs

Public Service Staffing Tribunal Priorities

2006-2007	
Strategic Outcome	Impartial and timely disposition of disputes related to the internal staffing and lay-off processes in the Government of Canada
Alignment to GOC Outcomes	Contributes to a competent, non-partisan and representative public service
Program Activity	Processing of complaints relating to the appointment, revocation and lay-off provisions of the *Public Service Employment Act*
Expected Results	• Sound and well-reasoned decisions • Processing of complaints in a timely manner • Timely results of alternate dispute resolution (ADR) interventions • Access to Tribunal services and information

Priorities		Status	Planned Spending ($ Thousands)	Actual Spending ($ Thousands)
No. 1 New	Be ready to hear complaints	Met	654	433
No. 2 New	Be ready to mediate	Met	825	311
No. 3 New	Establish registry and information management systems	Met	245	101
No. 4 New	Establish internal and external communications	Met	398	270
No. 5 New	Ensure tools are in place for HR management	Ongoing	256	143
No. 6 New	Establish corporate and management practices	Ongoing	431	220

Context and Operating Environment

Although the Public Service Staffing Tribunal officially commenced its operations on December 31, 2005, the first complaint was not received until February 6, 2006 and the overall volume of complaints remained relatively light into the early part of fiscal year 2006-2007. However, the number of complaints for the entire fiscal year 2006-2007 rose sharply to 438 from a total of 15 for the period from December 31, 2005 to March 31, 2006.

Not surprisingly then, one of the greatest challenges facing the Tribunal was, and continues to be, the unpredictability of the size of the caseload.

The second important challenge faced by the Tribunal in its first year was obtaining long-term funding. Funding was provided on a yearly basis only following a Treasury Board (TB) submission. Discussions with TBS officials with respect to a permanent source of funding continued.

The financial situation coupled with the difficulty in predicting the volume of complaints resulted in the Tribunal taking a cautious approach with respect to decision-making, particularly in the area of staffing. Although the Tribunal intends to staff 33 full-time equivalents (FTEs) once the caseload has stabilized, the number of employees has been kept to a minimum (22 FTEs) in order to avoid both unnecessary expenditures and the possibility of laying staff off due to a smaller workload than anticipated. In addition, a deliberate effort was made to recruit and retain individuals with a wide variety of experience, knowledge and skills so as to ensure that the Tribunal's resources were used in the most cost-effective manner possible.

Another factor considered by the Tribunal in preparing to enter into its first full year of operations was the expectation among stakeholders that, under the provisions of the new PSEA, staffing complaints would be handled "as expeditiously and as informally as possible", a challenge made greater by the newness of the Tribunal and the resulting unfamiliarity with the new complaint process.

From the beginning, the Tribunal chose to promote mediation as the most effective means of resolving staffing complaints both quickly and informally. Convincing the parties to consent to mediation, however, was challenging during the first few months of the Tribunal's operations as there appeared to be some scepticism on the part of the Tribunal's stakeholders about the value of mediation in resolving staffing complaints.

Much of the focus of the Tribunal's activities during the year was on ensuring that the Tribunal's stakeholders had ready access to information about the Tribunal's role, the complaint process, including mediation, and associated procedures. Establishing and maintaining ongoing communications with its stakeholders remains critical to the functioning of the Tribunal.

Despite the numerous challenges faced during the year, the Tribunal realized a number of significant achievements in the processing and mediation of complaints:

- Of the 438 complaints received in 2006-2007, over half of the files were closed.
- 86% of all closed files were resolved without having to proceed to a formal hearing.
- Over a quarter of all complaints were referred to mediation with the parties' consent.*
- Of the 49 complaints where mediation took place in 2006-2007, a settlement was reached in 71% of the cases.

* At the time of writing, an unknown number of the active files from 2006-2007 carried over to 2007-2008 were referred to mediation.

The Tribunal considers that, given the number of complaints processed in its first full year, its main objective for the period – that is, be ready to hear and mediate complaints – was achieved.

Alignment with Government of Canada Strategic Outcomes

In providing transparent, impartial and sound decision-making as well as the necessary support to help parties resolve staffing disputes through mediation, the Tribunal strives to be accessible and responsive to its stakeholders, thereby contributing to the effective management of human resources to the benefit of federal public service departments and agencies, managers, employees and Canadians at large.

Benefits to Canadians

The Tribunal benefits Canadians by ensuring a competent, non-partisan and representative public service through the impartial and timely disposition of staffing complaints in the Government of Canada.

Overall Description of Tribunal Performance

The Public Service Staffing Tribunal officially began its operations on December 31, 2005 with the coming-into-force of the new *PSEA*. The Tribunal was created as an independent, quasi-judicial body to consider and dispose of complaints filed by Government of Canada employees regarding internal appointments, lay-offs, the implementation of a corrective measure ordered by the Tribunal or the revocation of an appointment.

The Tribunal has one strategic outcome: The impartial and timely disposition of disputes related to the internal and lay-off processes in the Government of Canada.

Similarly, the Tribunal has one program activity: The processing of complaints relating to the appointment, revocation and lay-off provisions of the *PSEA*.

In 2006-2007, the Tribunal was still in the building process. Its main focus, therefore, was on having the people and processes in place to hear and mediate complaints. To this end, complaint procedures were developed, implemented and improved and Tribunal members and staff were provided training on the Tribunal's role, its process for rendering decisions, mediation in the staffing context, legal issues and precedents and in other areas, as required.

Getting ready to process complaints also required the development and implementation of supporting infrastructure – that is, a registry and information management system, human resources tools, internal and external communications and corporate and management practices.

The Tribunal considers that much was accomplished in these areas during the past year. A case management system (WebCims) was implemented and continues to be customized as the need for detailed and accurate information to document the progress and outcome of complaints increases.

The Tribunal filled a number of positions critical to the processing of complaints and also developed a number of human resources policies and procedures – for example, a labour relations policy, including a grievance procedure, and an Informal Conflict Management System – designed to foster a harmonious and productive work environment.

A key component of the Tribunal's communications strategy was the development of a short-term communications plan involving the development and launch of the Tribunal's own Internet site and other communications products to ensure that stakeholders had ready access to information about the Tribunal's role and its complaint process.

With the focus being on the Tribunal's readiness to handle complaints, the development of corporate policies and procedures, including performance measures, was limited to only those essential to the day-to-day operations of the Tribunal. However, plans have been drawn up for the implementation of a performance measurement framework and other related activities and work in these areas is ongoing.

Section II: Analysis of Program Activity by Outcome

Analysis of Program Activity by Strategic Outcome

Public Service Staffing Tribunal	
Strategic Outcome	Impartial and timely disposition of disputes related to the internal staffing and lay-off processes in the Government of Canada
Alignment to GOC Outcomes	Contributes to a competent, non-partisan and representative public service
Program Activity	Processing of complaints relating to the appointment, revocation and lay-off provisions of the *Public Service Employment Act*
Expected Results	• Sound and well-reasoned decisions • Processing of complaints in a timely manner • Timely results of alternate dispute resolution (ADR) interventions • Access to Tribunal services and information

Financial Resources ($ Thousands)

2006–2007		
Planned Spending	**Total Authorities**	**Actual Spending**
$5,244.0	$5,022.8	$3,215.9

Human Resources

2006–2007		
Planned	**Actual**	**Difference**
33 FTEs	22 FTEs	11 FTEs

Program Activity Description

The Public Service Staffing Tribunal is an independent, quasi-judicial body established in December 2005 by the *Public Service Employment Act* to consider and dispose of complaints related to internal appointments, lay-offs, the implementation of a corrective measure by the Tribunal and the revocation of an appointment. Its sole program activity is the processing of complaints submitted to the Tribunal relating to the appointment, revocation and lay-off provisions of the *PSEA*.

In carrying out its mandate, the Tribunal may provide mediation services at any stage of a proceeding in order to resolve a complaint. When considering whether a complaint against an internal appointment or lay-off is founded, the Tribunal may interpret and apply the *Canadian Human Rights Act* (*CHRA*).

In its 2006-2007 Report on Plans and Priorities, the Tribunal identified the following priorities and plans for its main program activity. A status report on the work activities or tasks, related to each priority is included.

Priority No. 1: Be ready to hear complaints	
Description Develop and implement policies and procedures for hearing policies	**Tasks** • Prepare complaint forms and procedures • Implement complaint procedures • Prepare procedural guide • Provide information to stakeholders
Status and Results • Complaint forms and procedures were developed based on the *PSST Regulations* published in December 2005. • A procedural guide describing the complaint procedures in plain language was published on the Tribunal's website in July 2006. • Information sessions focusing on the Tribunal's complaint procedures were given to stakeholders upon request. • 438 complaints were received; of these, 273 files were closed. • Of the 273 closed files, 235 complaints, or 86%, were resolved without having to proceed to an oral hearing.	

Priority No. 2: Be ready to mediate	
Description Develop and implement dispute resolution policies, procedures and training program	**Tasks** • Establish mediation team • Finalize and disseminate forms and procedures for mediation • Provide mediation training for departments and bargaining agents • Provide mediation training to Tribunal members

Status and Results

- Two mediator positions were filled in February 2007 to meet the increasing demand for mediation in complaints before the Tribunal.
- Mediation procedures and forms were finalized by the end of May 2006 and were posted on the Tribunal's website, along with general information on mediation.
- 17 mediation training courses were delivered to HR Specialists, managers and bargaining agent representatives: nine in the National Capital Region, two in Toronto and Montreal, one in Kingston, Halifax, Edmonton and Vancouver.
- Coaching in mediation and conflict resolution techniques was offered, as required, to both permanent and temporary Tribunal members.
- 49 mediation sessions were conducted; of these, a settlement was reached in 35, or 71%, of the cases.

Priority No. 3: Establish registry and information management systems	
Description Establish registry and information management systems	**Tasks** • Put internal and external registry processes in place (i.e. processes related to receiving and processing complaints; translating and issuing decisions, scheduling hearings etc.) • Develop and implement a case management system and processes • Provide staff training in registry processes, case management system workflows, Tribunal procedures for hearings and client services

Status and Results

- Processes were developed prior to the receipt of the first complaint. However, as the number of complaints increased, along with the number of motions and requests, existing procedures were modified or new ones were implemented in order to streamline the processing of the complaints. The Tribunal's complaint process continues to evolve as new issues continue to emerge.
- A case management system, WebCims, was implemented, but its full capabilities were not fully realized during the year. Work continues on the development of the system in order for the Tribunal to be able to track the progress of case files and fully document and report on its caseload.
- The Tribunal hired experienced registry officers with the result that extensive training on registry processes was not required. Nevertheless, where a specific need was identified, the necessary training was provided – language training, for example.

Priority No. 4: Establish internal and external communications	
Description Establish internal and external communications	**Tasks** • Design and launch website, develop content and interface with stakeholders • Develop communications products and tools, including communications plan • Develop outreach strategy, including identification of key messages, vehicles and responsibilities

Status and Result

- The Tribunal's first website was hosted by Industry Canada. In July 2006, the Tribunal's own website was officially launched and all available reference and resource documents were posted on the site. The Tribunal's stakeholders received an e-mail advising them of the launching of the new site.
- A communications plan was developed in consultation with the Tribunal's management team. A number of communications products, including a pamphlet, procedural guide, Frequently Asked Questions, speaking notes, presentations etc., were produced and made available through the Tribunal's website or other means.
- The Tribunal's key stakeholders were invited to information sessions given by Tribunal members and staff on the complaint process and procedures. With the sharp increase in the number of complaints in 2006-2007 and the resulting workload, the availability of members and staff decreased with the result that the number of presentations during 2006-2007 fell to ten from approximately 50 the previous year.
- A discussion group was created to allow representatives from departments, agencies and bargaining agents to identify and address any areas of concern related to the Tribunal's complaint process and procedures.
- Consultation with representatives of the Canada School of Public Service took place through 2006-2007 concerning the development and production of an interactive, web-based tool designed to illustrate the complaint process and procedures in a clear and very practical way.

Priority No. 5: Ensure tools are in place for HR Management	
Description Develop tools for HR management	**Tasks** • Develop HR plan and resource policies and requirements • Set up HR policies and processes • Set up an Informal Conflict Management System (ICMS) and Labour-Management Committee • Develop a learning plan and policy

Status and Results

- Given the focus on processing complaints, internal policies and procedures were undertaken, but have yet to be completed.
- A preliminary HR plan was drawn up in preparation for the establishment of the Tribunal, but changes to the plan were made once the Tribunal became operational and its organizational needs became clearer. Work on a revised plan has begun.
- An internal committee was formed to develop a suite of policies covering work-related matters such as labour relations, classification, security, communications etc. Approximately 13 such policies were drafted and are currently at various stages of approval.
- A temporary ICMS has been set up through the Public Service Labour Relations Board. Consultation with the bargaining agents has yet to take place on the development and implementation of a permanent ICMS.
- No formal learning plan or policy was developed during the reporting period; however, training was provided on an "as required" basis.

Priority No. 6: Establish corporate and management practices	
Description Establish corporate services and management practices	**Tasks** • Develop an audit and evaluation plan • Establish corporate services processes, including the development of policies and procedures for finance, contracting, etc. • Develop the Tribunal's performance measurement framework • Manage service agreements
Status and Results • A draft audit and evaluation plan was prepared. • A large number of corporate services were, and continue to be, provided by the PSLRB as part of the shared service agreement between the Tribunal and the PSLRB. Others are developed as the need arises. • A draft performance measurement framework was prepared and will continue to be developed in 2007-2008. • Other shared service agreements were renewed in order to ensure continuing access to corporate services such as security, mail services etc.	

Lessons Learned

The Tribunal set an ambitious agenda for 2006-2007 by identifying six main priorities related to its sole program activity: The processing of complaints relating to the appointment, revocation and lay-off provisions of the *Public Service Employment Act*.

As a result of the sudden and dramatic rise in the number of complaints during the year, the Tribunal was obliged to concentrate on those priorities most critical to its operations – namely, the refinement of the complaint process and associated procedures, the gradual implementation of a fully-integrated case management system, the continued development and implementation of a mediation program, including a training component both for staff and for stakeholders, and the development of a comprehensive communication strategy. The timeframe for developing internal policies and procedures, while essential to the success of the organization, was therefore extended in order allow the Tribunal to devote its resources to other more pressing priorities.

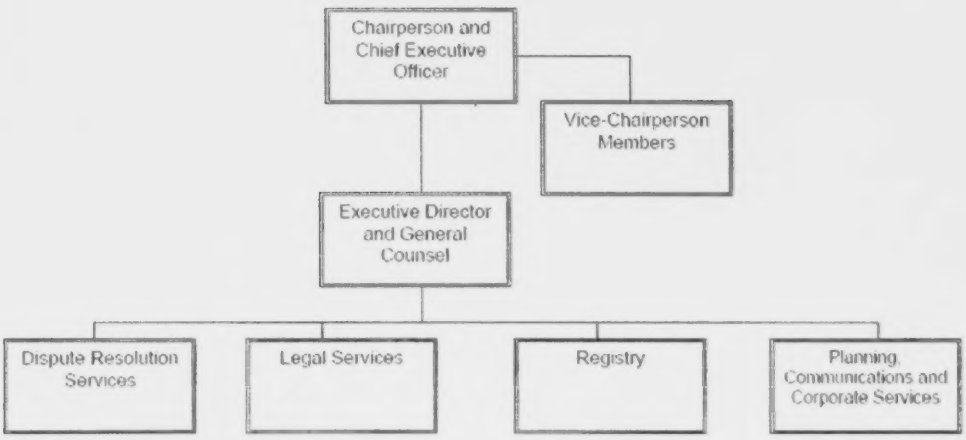
The need for an efficient case management system to track files, monitor their progress and ensure follow-up action as required was underscored by the increase in the number of complaints and the resulting workload.

The development of a variety of communication tools and outreach activities proved to be a crucial undertaking by the Tribunal inasmuch as it contributed to a better understanding of the Tribunal's mandate and thus to more efficient and effective operations.

With a solid infrastructure in place and a team of multi-skilled and flexible individuals, the Tribunal is well positioned to put the finishing touches on its corporate services and internal administrative policies and procedures, while continuing to hone its formal complaint process and dispute resolution services.

Section III: Supplementary Information

Organizational Information



Financial Performance

This section provides a summary of the Tribunal's financial performance. The tables included in this section show a comparison of four amounts: Main Estimates, Planned Spending, Total Authorities, and Actual. "Main Estimates" is the amount included in the Government's 2006-2007 Main Estimates. "Planned Spending" is the amount included in the Tribunal's 2006-2007 Report on Plans and Priorities and indicates amounts planned at the beginning of the year. "Total Authorities" includes Main, Supplementary, and other Estimate amounts approved by Parliament and Treasury Board Secretariat. "Actual" shows what was actually spent.

The following Financial Tables apply to the Public Service Staffing Tribunal:

1. Comparison of Planned to Actual Spending
2. Voted and Statutory Items
3. Services Received Without Charge
4. Travel Policies

Table 1: Comparison of Planned to Actual Spending (thousands of dollars)

This table offers a comparison of the Main Estimates, Planned Spending, Total Authorities, and Actual Spending for the most recently completed fiscal year. It also provides historical figures for Actual Spending.

			2006-2007			
($ thousands)	2004-05 Actual	2005-06 Actual	Main Estimates	Planned Spending	Total Authorities	Actual
Public Service Staffing Tribunal	-	1,949.6	5,244.0	5,244.0	5,022.8	3,245.1
Less: Non respendable revenue	-	-	-	-	-	(29.2)
Plus: Cost of services received without charge	-	175.9	-	447.0	392.3	392.3
Net cost of the Tribunal	**-**	**2,125.5**	**5,244.0**	**5,691.0**	**5,415.1**	**3,608.2**
Full-Time Equivalents	-	**10**	**33**	**33**	**33**	**22**

Table 2: Voted and Statutory Items

This table explains the way Parliament votes resources to the Tribunal, including voted appropriations and statutory authorities.

($ thousands)		2006-2007			
Vote or Statutory Item		**Main Estimates**	**Planned Spending**	**Total Authorities**	**Actual**
105	Program expenditures	4,710.0	4,710.0	4,710.0	2,903.1
(S)	Contribution to Employee Benefit Plan	534.0	534.0	312.8	312.8
(S)	Crown Assets Surplus	-	-	-	-
Total Voted and Statutory Items		**5,244.0**	**5,244.0**	**5,022.8**	**3,215.9**

Note: Planned Spending is the amount included in the Tribunal's 2006-07 Reports on Plans and Priorities and indicates amounts planned at the beginning of the year.

Table 3: Services Received Without Charge

This table shows the services received without charge by the Tribunal.

($ thousands)	2006-2007
Accommodation provided by Public Works and Government Services Canada	249.3
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board of Canada	143.0
Total 2006-2007 Services received without charge	**392.3**

Table 4: Travel Policies

The Tribunal follows the Treasury Board Secretariat (TBS) Travel Directive, Rates and Allowances, and the TBS *Special Travel Authorities.*

Financial Statements

These Financial Statements are prepared in accordance with accrual accounting principles. The unaudited supplementary information presented in the financial tables of this report is prepared on a modified cash basis of accounting in order to be consistent with appropriations-based reporting. Note 3 of the financial statements reconcile these two accounting methods.

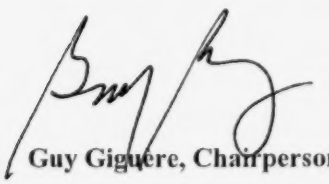
Statement of Management Responsibility

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31, 2007, and all information contained in this report rests with the Tribunal's management. These statements have been prepared by management in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector, using management's best estimates and judgments where appropriate and gives due consideration to materiality.

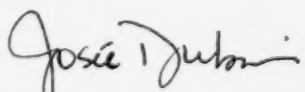
Management is responsible for the integrity and objectivity of the information in these financial statements. To fulfill its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the Tribunal's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the Tribunal's *Departmental Performance Report* is consistent with these financial statements.

Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout the Tribunal.

The financial statements of the Tribunal have not been audited.



Guy Giguère, Chairperson



Josée Dubois, Senior Financial Officer

Statement of Operations (unaudited)
For the year ended March 31, 2007

(in dollars)

	2007	2006
OPERATING EXPENSES		
Salaries and employee benefits	2,658,069	1,514,358
Professional and special services	387,113	400,917
Accommodation	249,312	95,767
Transportation and telecommunications	166,552	101,479
Rentals	103,360	22,905
Acquisition of machinery and equipment	57,344	191,777
Other operating expenses	43,904	34,703
Utilities, materials and supplies	40,672	22,399
Communication	29,014	30,816
Repairs and maintenance	12,621	3,400
Amortization of tangible capital assets	6,393	870
Total Expenses	3,754,355	2,419,391
REVENUES		
Miscellaneous Revenues	29,210	-
Total Revenues	29,210	-
Net cost of operations	**3,725,145**	**2,419,391**

The accompanying notes form an integral part of these financial statements

Statement of Financial Position (unaudited)
At March 31, 2007

(in dollars)

	2007	2006
ASSETS		
Financial assets		
Receivables from other Federal Government departments and agencies	229,497	212,115
Advances	500	500
Total financial assets	**229,997**	**212,615**
Non-financial assets		
Tangible capital assets (Note 4)	21,444	11,958
Total non-financial assets	**21,444**	**11,958**
TOTAL	**251,441**	**224,573**
LIABILITIES		
Accounts payable and accrued liabilities		
Other Federal Government departments and agencies	32,544	93,944
Others	238,506	246,163
Vacation pay and compensatory leave	88,443	63,865
Employee severance benefits (Note 5)	363,919	232,850
	723,412	**636,822**
EQUITY OF CANADA	**(471,971)**	**(412,249)**
TOTAL	**251,441**	**224,573**

Contingent liabilities (note 2 (h))

The accompanying notes form an integral part of these financial statements

Statement of Equity of Canada (unaudited)
For the year ended March 31, 2007

(in dollars)

	2007	2006
Equity of Canada, beginning of year	(412,249)	-
Net cost of operations	(3,725,145)	(2,419,391)
Current year appropriations used (Note 3)	3,215,894	1,949,647
Change in net position in the Consolidated Revenue Fund (Note 3)	86,438	(127,492)
Revenue not available for spending	(29,210)	
Reversal of expenditures related to Justice Canada	-	9,074
Services provided without charge by other government departments (Note 6)	392,301	175,913
Equity of Canada, end of year	**(471,971)**	**(412,249)**

The accompanying notes form an integral part of these financial statements

Statement of Cash Flow (unaudited)
For the year ended March 31, 2007

(in dollars)

	2007	2006
Operating Activities		
Net cost of operations	3,725,145	2,419,391
Non-cash items:		
Amortization of tangible capital assets	(6,393)	(870)
Services provided without charge by other government departments (Note 6)	(392,301)	(175,913)
Variations in Statement of Financial Position:		
Increase in accounts receivable and advances	17,382	212,615
Increase in liabilities	(86,590)	(636,822)
Cash applied to operating activities	3,257,243	1,818,401
Capital Investment Activities		
Acquisitions of tangible capital assets	15,879	12,828
Cash used by capital investment activities	15,879	12,828
Financing Activities		
Net cash provided by Government of Canada	**(3,273,122)**	**(1,831,229)**

The accompanying notes form an integral part of these financial statements

PUBLIC SERVICE STAFFING TRIBUNAL
Notes to the Financial Statements (unaudited)
For the year ended March 31, 2007

1. ***Authority and Objectives***

The new Public Service Staffing Tribunal (PSST) has been established through the new *Public Service Employment Act*, and was enacted on November 20, 2003 by Order in Council 2003-1808. The PSST's mandate is to consider and dispose of complaints under the revised *Public Service Employment Act* regarding internal appointments, complaints regarding internal appointments revoked by the Deputy Head or the Public Service Commission (PSC) following a departmental or PSC investigation made at the request of a department or agency, and complaints from employees who have been notified that they will be laid off. The PSST also promotes a non-adversarial resolution of disputes by providing mediation services.

2. ***Significant Accounting Policies***

The financial statements have been prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Siginificant accounting policies are as follows:

(a) *Parliamentary appropriation* - The Tribunal is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the Tribunal do not parallel financial reporting according to Canadian generally accepted accounting principles. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government – The Tribunal operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by the Tribunal is deposited to the CRF and all cash disbursements made by the Tribunal are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non respendable revenue recorded by the Tribunal. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues - Revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses - Expenses are recorded on the accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.

- Services provided without charge by other government departments for accommodation, the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

(i) Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Tribunal's contributions to the Plan are charged to expenses in the year incurred and represent the total obligation to the Plan. Current legislation does not require the Tribunal to make contributions for any actuarial deficiencies of the Plan.

(ii) Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Receivables recorded by the Tribunal are from Other Government Departments. Recovery is considered certain and a provision has not been made.

(h) Contingent Liabilities - In the normal course of its operations, the Tribunal may become involved in various legal actions. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements. The Tribunal has no contingent liabilities as at March 31, 2007.

(i) Tangible capital assets - all tangible capital assets treated as capital assets under Public Sector Accounting Board Recommendations plus leasehold improvements having an initial cost of $3,000 or more are recorded at their acquisition cost. Capital assets do not include intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections. Amortization of capital assets is done on a straight-line basis over the estimated useful life of the capital asset as follows:

Asset Class	Amortization Period
Furniture and equipment	5 years
Informatics hardware and software	3 years

(j) Foreign currency transactions - transactions involving foreign currencies are translated into Canadian dollar equivalents using rates of exchange in effect at the time of those transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates in effect on March 31st. Gains and losses resulting from foreign currency transactions are included on the statement of operations.

(k) Measurement uncertainty - The preparation of these financial statements in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are contingent liabilities, the liability for employee severance benefits and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. Management's estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. ***Parliamentary Appropriations***

The Tribunal receives its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Tribunal has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

a) Reconciliation of net cost of operations to current year appropriations used:
(in dollars)

	2007	2006
Net cost of operations	**3,725,145**	**2,419,391**
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (Less):		
Services provided without charge	(392,301)	(175,913)
Increase in employee severance benefit liability	(131,068)	(232,850)
Revenue not available for spending	29,210	-
Increase vacation pay and compensatory leave liability	(24,578)	(63,865)
Reversal of expenditures related to Justice Canada	-	(9,074)
Amortization of tangible capital assets	(6,393)	(870)
	3,200,015	1,936,819
Adjustments for items not affecting net cost of operations but affecting appropriations:		
Add (Less):		
Acquisitions of tangible capital assets	15,879	12,828
Current year appropriations used	**3,215,894**	**1,949,647**

b) Appropriations provided and used
(in dollars)

From public accounts	2007	2006
Vote 105 - Operating expenditures	4,710,000	3,776,000
Contributions to employee benefit plan	312,782	132,750
Less:		
Lapsed appropriations: Operating	(1,806,888)	(1,959,103)
Current year appropriations used	**3,215,894**	**1,949,647**

c) Reconciliation of net cash provided by Governement to current year appropriations used:
(in dollars)

	2007	2006
Net cash provided by Government	**3,273,122**	**1,831,229**
Revenue not available for spending	29,210	-
Reversal of expenditures related to Justice Canada	-	(9,074)
Change in net position in the Consolidated Revenue Fund:		
Variation in accounts receivable and advances	(17,382)	(212,615)
Variation in accounts payable and accrued liabilities	(69,056)	340,107
	(86,438)	127,492
Current year appropriations used	**3,215,894**	**1,949,647**

4. *Tangible Capital Assets*
(in dollars)

	Cost			Accumulated amortization			2007	2006
Capital asset class	Opening balance	Acquisi-tions	Closing Balance	Opening balance	Amor-tization	Closing Balance	Net book value	Net book value
Informatics Hardware and Software	12,828	-	12,828	870	4,276	5,146	7,682	11,958
Furniture and equipment	-	15,879	15,879	-	2,117	2,117	13,762	-
Total	**12,828**	**15,879**	**28,707**	**870**	**6,393**	**7,263**	**21,444**	**11,958**

5. *Employee benefits*

(a) Pension benefits: The Tribunal's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Tribunal contribute to the cost of the Plan. The 2006-07 expense amounts to $131,068 ($232,850 in 2005-06), which represents approximately 2.6 time the contributions by employees.

The Tribunal's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The Tribunal provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, measured as at March 31, is as follows:

	2007	2006
	(in dollars)	
Accrued benefit obligation, beginning of year	232,859	-
Expense for the year	131,069	232,850
Benefits paid during the year	-	-
Accrued benefit obligation, end of year	363,918	232,850

6. *Related party transactions*

The Tribunal is related as a result of common ownership to all Government of Canada departments, agencies, and Crown corporations. The Tribunal enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the Tribunal received services which were obtained without charge from other Government departments as presented in part (a).

(a) Services provided without charge:

During the year the Tribunal received without charge from other departments, accommodation and the employer's contribution to the health and dental insurance plans. These services without charge have been recognized in the Tribunal's Statement of Operations as follows:

	2007	2006
	(in dollars)	
Accommodation	249,312	95,767
Employer's contribution to the health and dental insurance plans	142,989	80,146
Total	392,301	175,913

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada are not included as an expense in the department's Statement of Operations.

SECTION IV: Other Information

Contact Information and Web Site

General Information
Your comments or questions are important to us and we invite you to contact us through one of the following:

Telephone
613-949-6516
1-866-637-4491 (toll-free)

TTY (teletype)
(866) 389-6901

Facsimile
613-949-6551

E-mail
Info@psst-tdfp.gc.ca

Mail
Public Service Staffing Tribunal
240 Sparks Street
6th Floor West
Ottawa, Ontario
K1A 0A5

Web Site
http://www.psst-tdfp.gc.ca

Contact Information for Complaints

E-mail:
Director.directeur@psst-tdfp.gc.ca

By Mail:
Executive Director
Public Service Staffing Tribunal
240 Sparks Street
6th Floor West
Ottawa ON K1A 0A5

Facsimile: (613) 949-6551